

ULSTER SUPPORTED EMPLOYMENT LTD

(Company Limited by Guarantee and not having a Share Capital)

Minutes of a Board of Directors Meeting held on Wednesday 24 January 2018 at
10.30 a.m. at 182-188 Cambrai Street, Belfast

Present

Mr J Perry	Chairman
Mr T Hinds	Director
Mr D Mackay	Director
Dr G Adams	Director
Mr A Bennett	Director
Ms C Magill	Director
Mr W Atkinson	Chief Executive
Mrs SJ Mowbray	Company Secretary/Head of Corporate Services
Mr A Savage	Head of Operations
Mr R Campbell	Director, Forde Law

1. Conflicts of Interest

Agenda 4 – potential conflict of interest declared by Mr A Savage in relation to Voluntary Exit Scheme.

The Chair of the Board declared an interest as a Trustee of Gallahers Trust.

2. Minutes of the meeting held on 20 December 2017

Minutes were approved, subject to minor amendments.

Actions from previous meetings were noted:

- DfC Sponsor Team have confirmed that Usel policies do not need formally approved by the Department.
- GDPR now included as an Agenda Item
- GDPR presentation has been organised for Board
- Deficit in General Reserve has been added to Risk Register – see Agenda Item 11
- Analysis in relation to HR activity and associated costs was provided to Board: standard HR costs, such as advice and guidance, policy provision and review etc are in line with contract. Additional services have been provided to Usel by HeadsTogether, in line with terms of contract
- Whistleblowing Policy has been updated and will be sent to Audit & Risk Committee, and Board, in March meeting for approval

3. Chairman's Business

The Chairman raised the following business:

- Accountability meeting has been scheduled between Chair of Usel Board, Chief Executive Usel, Dr Dennis McMahon (DfC) and Sharon Russell (DfC) on Tuesday 30 January 2018
- Chairman is meeting DfC auditors as part of the Triennial Governance Review on Monday 29 January 2018
- There are a number of upcoming events which Board members are invited to attend, such as the official signing of Prosperity Agreement with the NIEA
- The Chairman has not received any clarification around pension Trustee issue
- Mercers Scheme Actuary, Simon Hall, has formally written to the Chair of the Trustees to confirm his appointed role

SJM: to share event dates with Board members

4. Chief Executive's Report

The Directors reviewed the Chief Executive's Report for **January** activity which had been circulated with Board papers. The following was noted:

Stakeholder Engagement

We are continuing to seek the required match funding to support our proposed ESF project. We have engaged with a variety of councils and other possible funders. At present we have held several follow up meetings to confirm we have been successful at the initial stage. We are now currently waiting on information on how to comply with the various stakeholder application processes.

The CEO had a meeting with the Gallaher Trust regarding seeking some level of support in our proposed plan to establish a site within the Ballymena area. The meeting was very positive with a range of possible support being discussed. Any formal ask would need to be approved by the Gallaher Trust Board, with a decision being made at the earliest by April 2018.

Disappointingly our preferred site in Ballymena has been placed back on the open market. This is due to our lack of ability to proceed with the proposed signing of a commercial lease. We are continuing to seek a way forward with our sponsor department.

We delivered a formal presentation to the Strategic Investment Board team under the "buy social" theme. We promoted Usel as a business and discussed our journey within our current strategic plan and the challenges in the years to come.

We have been subject to wide spread coverage in the national and local press with a range of articles promoting Usel appearing on social media via Belfast Live. Belfast Live have an audience of approx. 350,000 readers with the Usel article being shared or liked by 2,500 readers and in the national press via The Daily Mirror with 587,000 copies distributed daily in NI. Coverage was also in The Ballymena Times.

New Business

Beds

We have received confirmation that Usel have been successful in securing and order from Gilbert Ash for approx. 500 units for a range of new apartments in central Belfast. This order will support the proposed growth in our beds forecast for 2018 with the complete order due for delivery April 2018.

We have launched our new factored goods e-commerce site under the working title of Direct Beds NI. This will strengthen the implementation of increasing our direct sales to the public. We will track this approach throughout Q4 and transfer any lessons learned into an updated version for 2018/19 with the clear objective of shifting our product mix.

Products/Circular Economy

We have had several successes in the month with confirmation of being selected by Ikea as their NI partner for their "Take Back" scheme.

We have been awarded a reuse contract by Lisburn and Castlereagh Council. We also secured a workstream from Irish Waste to recycle carpet and mattresses currently being removed from Lisburn and Castlereagh amenity sites.

Triennial Governance Review

As previously outlined the proposed triennial review began prior to Christmas with a team of auditors from within the sponsor department beginning to review a range of Usel functions and procedures. The overall process is on-going with the full findings expected mid-February. It is expected that a full report will be submitted to Board as soon as it becomes available.

Voluntary Exit Scheme

As previously advised we formally launched a call for VES applications on the 4th January, with completed applications due by 19th January. Formal decisions will be made and communicated by week ending January 28th. All staff who are successful in their applications will leave the business by 31st March. The Department has been kept apprised of developments at every stage of the process.

5. Head of Corporate Services' Report

Finance

The Directors reviewed the summary financial position against budget, for **December**, and noted an operating surplus of £15k. Budget forecast for December was £3k surplus, therefore we are £12k ahead of budget.

YTD we have delivered a surplus of £137k – the members note this is a positive result. Budget forecast for YTD position, as at 31 December was a surplus of £68k. This is a positive variance of £66k.

Head of Corporate Services responded to all queries from Board members.

ICT

There were no incidences of ICT Breaches to report.

In addition to delivering the ICT Strategy, January activity included:

- Successfully completed ILM Level 5 qualification
- Created GDPR tender for external, independent Data Protection Officer (currently on hold) and setup GDPR committee with appropriate staff
- Worked with Finance Manager to develop 2018/19 budget build
- Drafted a number of business cases:
 - Carpet and floor coverings
 - Desktop replacements
 - Tablet replacement
- Project management and design of new Innovation Room
- Continued work on new factory digital barcode solution (creating user requirements) to assist with stock management
- Project management of new Portadown training facility
- Development of second factor authorization for field based Usel Connect access (on remaining mobile devices)
- Mobile management software installed on mobile telephones (on remaining mobile devices)

Business Development and Marketing

In addition to delivering the Communication Plan, January activity included:

- Finalising detail within the Social Impact Report for 2016-17 and developing the Social Impact Card, including identifying key outcomes and infographics to reflect same
- Continue with the process seeking capital funding from Co-Innovate Ireland
- Completing application for match funding, for ESF, from Belfast City Council and Urban Villages
- Initial discussions around preparations for a “Celebration of Success” Event which will take place on 19 April in Titanic. We will be looking to celebrate the success of internal staff, programme participants, strategic partnerships etc.
- The event organised for the signing of the Prosperity Agreement between Usel and NIEA has been re-scheduled for 15 February 2018. Approximately 50 individuals have been invited, including MLA’s, Council representatives and Departmental officials
- Working with an outside PR company in relation to the Green Apple Award, so we can capitalise on any potential from gaining the international award
- Work has continued on recruitment campaign for TfS for September 2018
- We have agreed to target five awards in 2018 – first entry is National Recycling Award Entries

Compliance

In addition to managing the daily HR function e.g. inductions, recruitment, January activity included:

- Preparation and training for ISO Transition, for example auditor training, co-ordination of review and update of ISO processes
- Involved in implementation project for ESF, to ensure appropriate planning for recruitment of additional staff
- Co-ordinating staff benefit schemes, such as Benenden and staff savings club
- Managing in-house training, such a online training and training requests for Mindfulness and SafeTalk
- Updating 2018 holiday closures for Usel employees
- Manage the update of Internal Audit recommendations
- Co-ordinating managers responses for Q3 on the Balanced Scorecard
- Staff communications continue to operate satisfactorily

Procurement

- Stores management improvements- including better management of available storage space through improved housekeeping and preparation of stores area prior to deliveries in order to receive and store goods more efficiently
- Stores tasks scrutinised and timetabled as far as possible at present. This is an ongoing process that requires collaborative approach with Production department which is a work in progress
- Usel procurement procedure and manual update and improvement process ongoing

6. Head of Operations Report

a. Employment Services KPI Report

The KPI Report circulated with Board papers was analysed and it was noted that YTD, for Workable, we are approximately £116k better than budget.

YTD STRIDE is approximately £10k better than budget.

b. Manufacturing/Sales KPI Report

The KPI Report circulated with Board papers was analysed and it was noted that in December, bedding sales are £3k better than budget.

This results in a YTD position of sales of £27k better than budget.

Industrial sewing for December was £5k better than budget. YTD, we are in line with budget.

In December, circular economy was £1k over budget. YTD, we are £39k better than budget.

7. GDPR

Mr Rory Campbell, Director at Forde Law presented an overview of GDPR to the Board.

The Board thanked Mr Campbell for providing an extremely informative session.

Mr Bennett advised the Board that the Information Commissioners Office has recently offered a “health check” for charities.

Ms Mowbray presented Usel’s Action Tracker outlining preparations for GDPR. The proposed option for appointing an external Data Protection Officer was approved by the Board.

Action: explore possibility of availing of ICO “health check”

8. Draft Budget 2018-19

The draft 2018-19 Budget was presented. The presentation included key assumptions, opportunities and risks.

A full draft budget will be presented in February 2018 Board.

SJM: budget slides to be distributed to Board

9. Adult Safe Guarding Issues

One issue was reported to the Board. The issue is being handled in line with the relevant policies and the appropriate organisations have been informed.

10. Health & Safety

Health & Safety forum continues to operate on monthly basis. No significant issues to note.

11. Policies for Approval

- a. The following policies were approved:
 - i. Draft Maternity Policy
 - ii. Draft Circular Economy – Security Policy & Procedures

- b. The following policies were presented to the Board for review and approval in February Board:
- i. Draft Learning & Development Strategy
 - ii. Draft Sickness Absence Policy

12. Risk Management

New/Emerging Risks

Description of Risk Detail	P	I	P x I	Management Action
Deficit in general reserve which increases as losses are posted	3	4	12	1. Generate surplus to transfer to reserve at year end
				2. Include line of "non-cash costs" in budget
VES is not processed in line with VES Scheme Rules	1	3	3	1. HR business partner has provided advice and guidance throughout process
				2. Open and transparent process - communicated to all staff
				3. Cost / benefit analysis will be applied if over subscribed
New STRIDE project requires commitment of approx £650k per annum of staff costs - this could have significant impact on cashflow if ESF project payments are not timely	3	3	9	1. Drawdown £180k upfront payment at earliest timeframe
				2. Ensure documentation is kept up to date to ensure prompt audits
				3. Close monitoring of Usel cashflow by Finance team
				4. Move from quarterly claim to monthly claim process

Changes to Existing Risks

Description of Risk Detail	P	I	P x I	Management Action
2017-2021 ESF funding bid has been awarded - for full £1m annual project, approx £365k match funding required	1	4	4	Various funding bodies have been informed of Usel success. Meetings arranged to discuss next steps in securing match funding
Usel not prepared for introduction of GDPR on 28 May 2018	2	2	4	1. Appropriate training for managers
				2. ICT manager to take overall responsibility
				3. Internal audit scheduled to review Usel's operational plan in February 2018
				4. Standing Agenda item in Board papers

Risks Realised

- None

13. Any Other Business

Pension Fund Levy correspondence has been referred to Mercers for action.